GOVERNMENT OF INDIA
URBAN EMPLOYMENT AND POVERTY ALLEVIATION
LOK SABHA

UNSTARRED QUESTION NO:1076
ANSWERED ON:07.12.2004
URBAN REFORMS INCENTIVE FUND
Zahedi Shri Mahboob

Will the Minister of URBAN EMPLOYMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether the Union Government has introduced the Urban Reforms Incentive Fund;

(b) if so, whether the directive of the World Bank were followed in the matter of allocation of funds;

(c) if so, the details thereof;

(d) whether in place of a receivable amount of Rs.39 crores under the scheme, the Government of West Bengal received only Rs.7 crore 88 lakhs in 2002 and Rs.1 crore 97 lakhs in 2003;

(e) if so, the reasons for non-release of the outstanding amount to the State Government; and

(f) the steps being taken, if any, to release the outstanding amount to the State?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF URBAN EMPLOYMENT & POVERTY ALLEVIATION(KUMARI SELJA)

(a): Yes, Sir.

(b): Under Urban Reforms Incentive Fund (URIF), allocation of funds are made by Planning Commission to Ministry of Finance. Under the circumstances, directive from World Bank does not arise.

(c): Does not arise.

(d)&(e): URIF scheme is in operation since the financial year 2003-2004. The State Government of West Bengal was allocated Rs.39.40 crore during 2003-2004 and was requested to sign the Memorandum of Agreement (MoA). The Government of West Bengal signed Memorandum of Agreement (MoA) in respect of four reform areas namely - computerized process of registration (weightage - 10%), reform of property tax (weightage - 10%), levy of user charges (weightage- 20%), and double entry system of accounting in the urban local bodies (weightage - 10%). As per the prescribed weightage for each reform area, the proportionate allocation of West Bengal comes to Rs.19.70 crore (50% of the allocation). Further, 50% of the eligible allocation i.e. Rs.9.85 crore was recommended to Ministry of Finance for release to West Bengal as MoA signing amount. As per the terms and conditions of MoA, balance 50% of eligible allocation is to be released after assessing the progress in achieving prescribed milestones.

(f): Out of the balance 50% of eligible allocation (Rs. 9.85 crore), it was recommended to Ministry of Finance to release Rs.1.97 crore towards second instalment to Government of West Bengal on the basis of the progress made by the State Government in 2003-2004.